Form (2)
Sr. No. 1132
Dated 31.10.96

The Myanmar Investment Commission

PERMIT

Permit No. 222/96   *Date* 31st OCTOBER 1996

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter WONG SEK ONN

(b) Citizenship MALAYSIAN

(c) Address SUITE 24-01 WISMA CYCLECARRI 288 JALAN RAJA LAUT KUALA LUMPUR 50350, MALAYSIA

(d) Name and address of principal organization AUSTRAL AMALGAMATED BERHAD SUITE 24-01 WISMA CYCLECARRI 288 JALAN RAJA LAUT, KUALA LUMPUR 50350 MALAYSIA

(e) Place of incorporation MALAYSIA

(f) Type of business in which investment is to be made PRODUCTION AND MARKETING OF CHILDREN'S WEAR, CASUAL WEAR, JEANS

(g) Place (s) at which investment is permitted PYIN MA BIN INDUSTRIAL COMPLEX, MINGALADON TOWNSHIP

(h) Amount of foreign capital US $ 5 MILLION

(i) Period for bringing in foreign capital WITHIN 12 MONTHS FROM THE DATE OF ISSUING THE PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 5 MILLION

(k) Permitted duration of investment 25 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR MILLION QUEST PRIVATE LIMITED

Chairman

The Myanmar Investment Commission

စာအမှတ် ၂၃၃၂
နေ့စွဲ ၃၁.၁၀.၉၆
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၂၂၂/၉၆ ၁၉၉၆ ခုနှစ်၊ အောက်တိုဘာလ ၃၁ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် WONG SEK ONN

(ခ) မည်သည့်နိုင်ငံသား MALAYSIAN

(ဂ) နေရပ်လိပ်စာ SUITE 24-01 WISMA CYCLECARRI 288 JALAN RAJA LAUT KUALA LUMPUR 50350, MALAYSIA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ AUSTRAL AMALGAMATED BERHAD SUITE 24-01 WISMA CYCLECARRI 288 JALAN RAJA LAUT KUALA LUMPUR 50350 MALAYSIA

(င) ဖွဲ့စည်းရာအရပ် MALAYSIA

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား PRODUCTION AND MARKETING OF CHILDREN'S WEAR, CASUAL WEAR, JEANS

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မင်္ဂလာဒုံမြို့နယ်၊ ပျဉ်းမပင်စက်မှုနယ်မြေ

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁၅ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့်ထုတ်ပေးသည့်နေ့မှ ၁၂ လအတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁၅ သန်းနှင့်ညီမျှသောကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၂၅ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် MYANMAR MILLION QUEST PRIVATE LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/352/96(1132)
Dated 31st October 1996

Tel : 272009, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Production and Marketing of Children's Wear, Casual Wear and Jeans" under the name of "Myanmar Million Quest Private Ltd.".

Reference: The Union of Myanmar Economic Holdings Limited letter No. Oo Paing/Ah Sa Pa/96-97(MMQPL) dated 27-8-96.

1. The Myanmar Investment Commission, at its meeting 15/96 held on 11-10-96 had reviewed the proposal for investment in "Production and Marketing of Children's Wear, Casual Wear and Jeans" under the name of "Myanmar Million Quest Private Ltd." submitted as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 35/96 held on 23-10-96 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 25(Twenty Five) years commencing from the date of official opening of the factory operation and extendible for another two 5(Five) year terms upon mutual agreement between the Union of Myanmar Economic Holdings Limited and Myanmar Million Quest Private Ltd.. At the end of the project period the factory, building and all material assets associated therewith shall be transferred to the Union of Myanmar Economic Holdings Limited without any consideration in a well maintained condition.

4. The annual rental fee shall be US $ 3.00 (United States Dollars Three Only) per square metre for both covered and uncovered area. Rental rates are to be reviewed every 5(Five) years period and any increase in rent shall not be more than 15(Fifteen) percent over the provious rent.

5. Myanmar Million Quest Private Ltd. shall pay a management fee to the Union of Myanmar Economic Holdings Limited for the services rendered at the rates as follow:-

ITEMS	RATE
Children's Wear	US $ 0.20 Per Dozen
Casual Wear	US $ 0.80 Per Dozen
Jeans	US $ 1.50 Per Dozen

or 30(Thirty) percent of the net operating profits whichever is higher.

6. Myanmar Million Quest Private Ltd. shall pay US $ 100,000 (United States Dollars One Hundred Thousand Only) for the demolishing of old building to the Union of Myanmar Economic Holdings Limited in 5(Five) instalments as follows;-

(1) Contract Signing Ceremony	US $ 20,000
(2) Ground Breaking Ceremony	US $ 20,000
(3) Opening Ceremony	US $ 20,000
(4) First Operation Year	US $ 20,000
(5) Second Operation Year	US $ 20,000

7. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to three consecutive years from the year of commencement of operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Myanmar Million Quest Private Ltd. shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Myanmar Million Quest Private Ltd. shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar Million Quest Private Ltd. shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(d), relief from income-tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance, following 3-year tax holiday period.

(e) As per Section-21(e), Myanmar Million Quest Private Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Myanmar Million Quest Private Ltd. shall apply, upon actual performance of such research and development programme, only after 3-year tax holiday period.

(h) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanmar Million Quest Private Ltd. shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Industry (1).

8. Commercial tax on exports of the products of Myanmar Million Quest Private Ltd. shall be exempted.

9. The Commission approves to import 5 cars during the construction period with full exemption on customs duty and all other internal taxes and additional 5 cars during the operation period with 50(Fifty) percent relief on customs duty and all other internal taxes.

10. Myanmar Million Quest Private Ltd., shall have to sign the Build, Operate and Transfer Contract and the Lease Agreement with The Union of Myanmar Economic Holdings Limited. After signing such Contracts and Lease Agreements, (5) copies each of them shall have to be forwarded to the Commission.

11. Myanmar Million Quest Private Ltd., in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered.

After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

12. Myanmar Million Quest Private Ltd. shall use its best efforts for timely réalization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

13. The official date of operation shall be reported to the Commission.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Myanmar Million Quest Private Ltd. shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

15. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

16. Whenever Myanmar Million Quest Private Ltd. brings in foreign capital defined under Section 2(h) of the Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

18. Myanmar Million Quest Private Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Myanmar Million Quest Private Ltd. shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by

the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

20. Myanmar Million Quest Private Ltd. shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

21. Myanmar Million Quest Private Ltd., in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order,

Brig-Gen Maung Maung
Secretary
(Minister at the Deputy Prime Minister's Office)

Wong Sek Onn
Director
Myanmar Million Quest Private Ltd.
c/o Managing Director
Union of Myanmar Economic Holdings Limited

cc:
1. Office of the Chairman of State Law and Order Restoration Council
2. Office of the State Law and Order Restoration Council
3. Office of the Government of the Union of Myanmar
4. Deputy Prime Minister's Office
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Industry (1)
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour

13. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
14. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Director General, Directorate of Trade
22. Director General, Immigration and Manpower Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Chamber of Commerce and Industry